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HTC CORPORATION

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8  
9 **UNITED STATES DISTRICT COURT**  
10 **SOUTHERN DISTRICT OF CALIFORNIA**  
11

12 DATAQUILL LIMITED,

13 Plaintiff,

14 v.

15 HIGH TECH COMPUTER CORP.,

16 Defendant.

17  
18  
19 HTC CORPORATION,

20 Counterclaimant,

21 v.

22 DATAQUILL LIMITED,

23 Counterdefendant.

Case No. 08-cv-00543 IEG (LSP)

**HTC CORPORATION'S ANSWER,  
AFFIRMATIVE DEFENSES, AND  
COUNTERCLAIMS**

**DEMAND FOR JURY TRIAL**

Complaint Filed: March 25, 2008

Judge: Hon. Irma E. Gonzalez

Magistrate  
Judge: Hon. Leo S. Papas

Trial Date: Not Set

24  
25 Defendant HTC Corporation ("HTC"), formerly known as High Tech Computer Corporation,  
26 files the following answer, affirmative defenses, and counterclaims in response to Plaintiff DataQuill  
27 Limited's ("DataQuill's") Complaint for Patent Infringement ("Complaint").  
28

**ANSWERS TO DATAQUILL'S ALLEGATIONS OF PATENT INFRINGEMENT**

HTC answers the allegations in the separately numbered paragraphs of DataQuill's Complaint as follows:

1. HTC admits that this Court has subject matter jurisdiction over the present action. HTC denies all other allegations of Paragraph 1.

2. HTC admits that on May 2, 2000, United States Patent No. 6,058,304 ("the '304 patent") was issued by the United States Patent and Trademark Office and that the '304 patent is entitled "Data Entry System." HTC also admits that on Nov. 21, 2006, United States Patent No. 7,139,591 ("the '591 patent") was issued by the United States Patent and Trademark Office and that the '591 patent is entitled "Hand Held Telecommunications and Data Entry Device." HTC is without sufficient information to form a belief as to the truth or falsity of the remaining allegations of Paragraph 2 and therefore denies same.

3. With regard to the allegations of Paragraph 3, HTC -- formerly known as High Tech Computer Corp. -- admits it is organized under the laws of the Republic of China. HTC denies its executive offices are at 23 Hsin Hua Road, and any remaining allegations of Paragraph 3.

4. HTC denies the allegations of Paragraph 4.

5. HTC admits the allegations of Paragraph 5.

6. HTC denies the allegations of Paragraph 6.

7. With regard to the allegations of Paragraph 7, which are dependent on Paragraphs 4-6, HTC denies the same.

8. HTC admits that venue is proper in this District under 28 U.S.C. §§ 1391(d) for this action.

**COUNT I – PATENT INFRINGEMENT**

9. HTC denies the allegations of Paragraph 9.

10. HTC is without sufficient information to form a belief as to the truth or falsity of the allegations in Paragraph 10 and therefore denies same.

11. Regarding the allegations of Paragraph 11, HTC admits it received letters on the dates the allegations of Paragraph 11.

12. HTC denies all allegations of Paragraph 12.

13. HTC denies all allegations of Paragraph 13.

**RESPONSE TO DATAQUILL'S PRAYER FOR RELIEF**

The allegations in the paragraph requesting relief are in the nature of prayer. Although no answer is required, HTC responds to the individual requests for relief as follows:

a. HTC denies that DataQuill is entitled to the requested damages and prejudgment and post-judgment interest and denies any and all liability for DataQuill's claims.

b. HTC denies that DataQuill is entitled to the requested enhanced damages and denies any and all liability for DataQuill's claims.

c. HTC denies that DataQuill is entitled to the requested finding that this is an exceptional case or to the requested attorney's fees and expenses and denies any and all liability for DataQuill's claims.

d. HTC denies that DataQuill is entitled to the requested injunctive relief and denies any and all liability for DataQuill's claims.

e. HTC denies that DataQuill is entitled to any other relief from HTC in this case, denies that any relief sought by DataQuill is warranted, denies any and all liability for the alleged conduct, and requests that DataQuill's requested relief be denied.

**DEFENSES AND AFFIRMATIVE DEFENSES**

**Non-Infringement**

1. Upon information and belief, HTC has not infringed and does not infringe any of the claims of the '304 patent or the '591 patent (collective referred to as "the patents-in-suit"), literally, under the doctrine of equivalents, directly, contributorily, by inducement, or in any other manner.

**Patent Invalidity**

2. Upon information and belief, each of the claims of the patents-in-suit are invalid for failing to comply with one or more of the conditions and requirements for patentability as set forth in the United States Patent Laws, Title 35 U.S.C., including specifically §§ 102, 103, and/or 112 (including specifically lack of written description, enablement, best mode, particularly pointing out and/or distinctly claiming), and the rules, regulations, and laws pertaining thereto.

**Prosecution History Estoppel**

3. Because of proceedings in the United States Patent and Trademark Office during the prosecution of the application that resulted in the patents-in-suit, as shown by the prosecution histories thereof, DataQuill is estopped to claim a construction of the patents-in-suit that would cause any valid claim thereof to cover or include any products that are or have been manufactured, used, sold, imported, or offered for sale by HTC, either literally or under the doctrine of equivalents.

4. DataQuill is estopped by reason of prosecution history estoppel from asserting infringement of the patents-in-suit under the doctrine of equivalents.

**License**

5. Upon information and belief and after reasonable opportunity for discovery, the relief sought by DataQuill based on HTC's alleged infringement of the patents-in-suit is barred in whole or in part to the extent that HTC is directly or indirectly licensed to practice the patents-in-suit, either expressly or impliedly.

**Inequitable Conduct**

6. Upon information and belief, DataQuill's allegations of infringement of the patents-in-suit are barred because the patents-in-suit are unenforceable pursuant to 37 C.F.R. § 1.56 and the doctrine of inequitable conduct. The bases for and specifics of HTC's inequitable conduct defense are set forth in more detail in HTC's declaratory judgment count seeking a declaration that the patents-in-suit are unenforceable based on DataQuill's inequitable conduct in the procurement of those patents.

**No Irreparable Harm**

7. DataQuill is not entitled to injunctive relief because any injury to DataQuill as a result of HTC's alleged activities is not immediate or irreparable, and DataQuill has an adequate remedy at law.

WHEREFORE HTC prays that this Court dismiss DataQuill's action and enter judgment that DataQuill take nothing on its claims against HTC and award HTC its attorney's fees and costs of defending this action and such other and further relief as it may be entitled.

**COUNTERCLAIMS**

**Parties**

1. HTC Corporation ("HTC") is a corporation organized under the laws of the Republic of China, with executive offices as No. 23 Xinghua Rd., Taoyuan 330, Taiwan, R.O.C.

2. Upon information and belief, Plaintiff DataQuill Limited ("DataQuill") is a limited company organized and existing under the laws of the British Virgin Islands, having its principal place of business in Tortola, British Virgin Islands.

**Jurisdiction and Venue**

3. This Court has subject matter jurisdiction over HTC's counterclaims pursuant to 28 U.S.C. §§ 2201-2202, 1338 and 1331. A real, immediate, and justiciable controversy exists between HTC and DataQuill. The controversy relates to the invalidity, non-infringement, and unenforceability of the patents-in-suit. DataQuill has accused HTC of infringing the patents-in-suit.

4. As the plaintiff in the above-captioned lawsuit, DataQuill has consented to jurisdiction and venue in this Court.

**COUNT I**

**(Request for Declaratory Judgment of Non-Infringement of  
U.S. Patent No. 6,058,304)**

5. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

6. HTC has not infringed, contributed to the infringement of, or induced infringement of any valid and enforceable claim of the '304 patent, either literally or under the doctrine of equivalents.

7. Based on statements made by the applicant during prosecution of the '304 patent, DataQuill is estopped from asserting that HTC infringes the '304 patent.

8. Accordingly, HTC seeks a declaratory judgment pursuant to 28 U.S.C. §§ 2201-2202 that the '304 patent is not infringed by HTC.

**COUNT II**

**(Request for Declaratory Judgment of Patent Invalidity of  
U.S. Patent No. 6,058,304)**

9. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

10. Upon information and belief, each of the claims in the '304 patent are invalid for failing to comply with the conditions and requirements for patentability as set forth in the United States Patent Laws, Title 35 U.S.C., including specifically §§ 102, 103 and/or 112 (including specifically lack of written description, enablement, best mode, particularly pointing out and/or distinctly claiming), and the rules, regulations, and laws pertaining thereto.

11. Accordingly, HTC seeks a declaratory judgment pursuant to 28 U.S.C. §§ 2201-2202 that the '304 patent is invalid.

**COUNT III**

**(Request for Declaratory Judgment of Non-Infringement of  
U.S. Patent No. 7,139,591)**

12. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

13. HTC has not infringed, contributed to the infringement of, or induced infringement of any valid and enforceable claim of the '591 patent, either literally or under the doctrine of equivalents.

14. Based on statements made by the applicant during prosecution of the '591 patent, DataQuill is estopped from asserting that HTC infringes the '591 patent.

15. Accordingly, HTC seeks a declaratory judgment pursuant to 28 U.S.C. §§ 2201-2202 that the '591 patent is not infringed by HTC.

**COUNT IV**

**(Request for Declaratory Judgment of Patent Invalidity of  
U.S. Patent No. 7,139,591)**

16. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

17. Upon information and belief, each of the claims in the '591 patent are invalid for failing to comply with the conditions and requirements for patentability as set forth in the United States Patent Laws, Title 35 U.S.C., including specifically §§ 102, 103 and/or 112 (including specifically lack of written description, enablement, best mode, particularly pointing out and/or distinctly claiming), and the rules, regulations, and laws pertaining thereto.

18. Accordingly, HTC seeks a declaratory judgment pursuant to 28 U.S.C. §§ 2201-2202 that the '591 patent is invalid.

**COUNT V**

**(Request for Declaratory Judgment of Unenforceability of the Patents-in-suit)**

19. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

20. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Patent and Trademark Office ("PTO"). That duty includes a duty to disclose to the PTO all information known to that individual to be material to the patentability of the claimed invention. A breach of a patent applicant's duty of candor renders unenforceable all claims which eventually issue from the application in connection with which such breach occurred and all claims that issue from any related applications.

21. Upon information and belief, DataQuill committed inequitable conduct during the prosecution of the patents-in-suit by (1) failing to disclose the two-page brochure publicly distributed at ScanTech; (2) failing to disclose the Glasgow Herald publication; (3) mischaracterizing the two-page brochure publicly distributed at ScanTech; (4) failing to disclose the one-page flyer publicly distributed at ScanTech; (5) failing to disclose actions in European counterpart applications; (6) failing to disclose Garry Robb's '790 patent application and art cited

1 therein; (7) failing to disclose proper inventorship; and (8) by excerpting and intentionally  
2 withholding an Anticipation Exhibit from an Invalidity Report which contradicted information  
3 submitted by DataQuill regarding patent validity.

4 22. These misrepresentations and omissions by DataQuill were material because  
5 DataQuill failed to disclose non-cumulative invalidating prior art and information regarding that art  
6 that would have by itself or in combination with other information established a prima facie case of  
7 unpatentability of the claims of the patents-in-suit.

8 23. The information withheld by DataQuill was also inconsistent with positions taken by  
9 DataQuill in opposing arguments of unpatentability made by the PTO and arguments of patentability  
10 made by DataQuill.

11 24. Upon information and belief, DataQuill committed these acts with the intent to  
12 deceive the PTO in order to obtain the patents-in-suit.

13 25. Upon information and belief, HTC makes the following allegations with respect to  
14 the prior art that forms the basis of its inequitable conduct claims:

15 **(a) Failure to Disclose the Two-Page Brochure Publicly Distributed at ScanTech**

16 26. United Kingdom patent application no. 9321133 was filed October 13, 1993, in the  
17 name of Garry Robb alone (the "Robb GB application"). On September 27, 1994, a PCT application  
18 -- PCT/GB94/02101 ("the PCT application") -- was filed. The PCT application attempted to claim  
19 priority to the Robb GB application, and was filed as a continuation-in-part of the Robb GB  
20 application, as it added two new inventors (Francis John Callaghan and Paul Marshall Doran), three  
21 new figures (10, 11, and 12), text describing the same, and added references to "cellular" throughout  
22 the specification, *inter alia*. The PCT application designated the U.S., was nationalized in the U.S.,  
23 and became the '304 patent once issued. Upon information and belief, the asserted claims are not  
24 supported by the Robb GB application pursuant to 35 U.S.C. § 112, and the priority claim in the  
25 PCT application to the Robb GB application is improper under 35 U.S.C. § 119.

26 27. Before filing the PCT application leading to the '304 patent, named inventor Garry  
27 Robb formed a company called Winfair Systems, upon information and belief. Upon information  
28 and belief, personnel involved with Winfair Systems prepared a two-page brochure to market a



1 prototype device, referred to as a "DataQuill" "pen" because of its pen-like shape. Upon  
2 information and belief, the two-page brochure was publicly distributed in a double-sided copy on A4  
3 paper. Specifically, named inventor Garry Robb and others including Jan Orkisz publicly distributed  
4 approximately 250-300 brochures at a trade show, called "ScanTech," held at the National  
5 Exhibition Centre in Birmingham, England, on or about June of 1992, on information and belief.  
6 The ScanTech trade show was an exhibition directed to those interested in bar code scanning  
7 technology and was described in the Glasgow Herald at the time as being regarded by those in the  
8 business as the most important scanning technology exhibition in the world.

9 28. Upon information and belief, Mr. Robb was aware of the prior publication of the two-  
10 page brochure because he was instrumental in the public distribution of that brochure at ScanTech.  
11 The public distribution of that brochure in June of 1992 was more than one year before the filing of  
12 the PCT application on September 27, 1994, and more than one year before the filing of the Robb  
13 GB patent application on October 13, 1993. Thus, the prior publication of the two-page brochure is  
14 prior art under 35 U.S.C. § 102(b) regardless of whether the priority claim to the Robb GB  
15 application was proper. Further, the two-page brochure was material to patentability of the claims of  
16 the application leading to the '304 patent; for instance, the two-page brochure anticipates at least  
17 claims 29 and/or 31 of the '304 patent. But, Mr. Robb failed to disclose the two-page brochure to  
18 the USPTO during the prosecution of the '304 patent, upon information and belief. It would have  
19 been important to a reasonable examiner to know of the prior publication of the two-page brochure  
20 when examining the claims of the application leading to the '304 patent. The high degree of  
21 materiality creates an inference that the failure to disclose was intentional, rendering the '304 patent  
22 unenforceable.

23 **(b) Failure to Disclose the Glasgow Herald Publication**

24 29. On August 25, 1992, in Glasgow, Scotland, the Glasgow Herald published an article  
25 entitled "Winfair Launches Two-Way Bar Code Reader," showing a pen-shaped device reading a bar  
26 code ("the Glasgow Herald article"). The article paraphrased Mr. Robb's comments to a Glasgow  
27 Herald reporter with respect to his involvement with Winfair Systems and the DataQuill pen-shaped  
28 device. The Glasgow Herald article was published more than one year prior to the September 27,

1 1994 filing of the PCT application, and more than a year prior to the October 13, 1993 filing of the  
2 Robb GB application; and thus, constituted prior art under 35 U.S.C. §102 regardless of whether the  
3 priority claim under 35 U.S.C. § 119 to the Robb GB application was proper.

4 30. It would have been important to a reasonable examiner to be informed that the named  
5 inventor Robb had publicly disclosed the subject matter of the claimed invention via the Glasgow  
6 Herald article describing the DataQuill pen-shaped device more than one year before filing the Robb  
7 GB application and/or the PCT application. Upon information and belief, at least Mr. Robb was  
8 aware of the Glasgow Herald article, having been interviewed for the article, and intentionally failed  
9 to disclose the article to the USPTO during prosecution of the '304 patent. Further, combining the  
10 Glasgow Herald Publication with the two-page brochure discussing the same device and the same  
11 ScanTech tradeshow would have rendered at least claims 29 and/or 31 obvious under 35 U.S.C.  
12 §103. The high degree of materiality of the Glasgow Herald article creates an inference that Mr.  
13 Robb possessed intent to withhold this information from the USPTO. Mr. Robb's intentional failure  
14 to disclose this material information to the USPTO constituted inequitable conduct and renders the  
15 '304 patent unenforceable.

16 **(c) Mischaracterization of Two-Page Brochure Publicly Distributed at ScanTech**

17 31. The '591 patent issued from patent application 10/869,215, which was a continuation  
18 of application 09/548,565, which was a continuation of the application leading to the '304 patent.  
19 The '591 application similarly includes a claim to priority to the Robb GB application; however,  
20 since the asserted claims of the '591 application are not supported by the Robb GB application under  
21 35 U.S.C. § 112, the priority claim under 35 U.S.C. § 119 to the Robb GB application is improper.

22 32. On March 30, 2005, Mr. Jan Orkisz was deposed in the case of *DataQuill v. Kyocera*,  
23 then pending in the U.S. District Court for the Southern District of California. At his deposition, Mr.  
24 Orkisz testified that he and Mr. Robb publicly distributed at the ScanTech exhibition, described  
25 above, the *two-page* brochure (Orkisz deposition exhibit 93) depicting a DataQuill pen-shaped  
26 device and containing marketing information.

27 33. Unlike the prosecution of the '304 patent in which the two-page brochure was never  
28 cited to the USPTO by DataQuill, DataQuill did submit the two-page brochure during the

1 prosecution of the '591 patent. On September 19, 2005, just months after Mr. Orkisz's testimony,  
2 DataQuill's counsel, Joseph Hetz of the Brinks Hofer law firm, filed an Information Disclosure  
3 Statement ("IDS") submitting the two-page brochure to the USPTO, *inter alia*. However, upon  
4 information and belief, DataQuill's counsel mischaracterized the nature of the document that Mr.  
5 Orkisz had testified that he and Mr. Robb had publicly distributed at ScanTech. In the IDS,  
6 DataQuill's patent prosecution counsel Hetz represented to the USPTO that the document that had  
7 been publicly distributed at ScanTech in June of 1992 was a *one-page* flyer, not the *two-page*  
8 brochure that was publicly distributed according to Mr. Orkisz's testimony. DataQuill's patent  
9 prosecution counsel Hetz submitted the *one-page* flyer to the USPTO, identified it as "Document  
10 C88" and characterized it by stating:

11 Document C88 includes a copy of Winfair Systems (Scotland) Limited  
12 flyers believed based on present investigation and recollection of  
13 events to have been made available to attendees at a trade show  
exhibition in the United Kingdom in June 1992. Mr. Garry Robb was  
a principle [sic] of Winfair Systems.

14 September 19, 2005 IDS.

15 34. With respect to the *two-page* brochure, however, that Mr. Orkisz testified to having  
16 distributed with Mr. Robb at ScanTech, DataQuill's counsel Mr. Hetz only stated in the IDS: "In  
17 addition, Document C111 is a copy of two-sided Winfair System flyers, which flyers are *believed* to  
18 have been *made* in 1992." *Id.* (emphasis added).

19 35. By mischaracterizing the two-page brochure as "believed to have been made" by  
20 Winfair Systems (Scotland), *instead of having actually been made and distributed* publicly more  
21 than a year before the filing of the application leading to the '304 patent, and doing so months after  
22 receiving Orkisz's testimony directly to the contrary, DataQuill's counsel committed an omission of  
23 material information during prosecution of the application for the '591 patent. Upon information  
24 and belief, that material omission implied to the USPTO that the two-page brochure was not prior  
25 art.

26 36. Upon information and belief, at least DataQuill's patent prosecution counsel Hetz and  
27 Mr. Robb were aware of the two-page brochure and of Mr. Robb's and Mr. Orkisz's public  
28

1 distribution of the two-page brochure, either based on personal knowledge or via Mr. Orkisz's  
2 testimony.

3 37. It would have been important to a reasonable examiner to know that the detailed two-  
4 page brochure was publicly disseminated to the relevant public more than a year prior to the filing of  
5 the Robb GB application, to which both the '304 and '591 patents attempted to claim priority, and  
6 more than one year prior to the filing of the PCT application that became the '304 patent, to which  
7 the '591 patent claimed priority. Further, the two-page brochure anticipates at least claim 1 of the  
8 '591 patent. Thus, the publicly disclosed *two-page* brochure was prior art under 35 U.S.C. § 102(b)  
9 regardless of whether the priority claim to the Robb GB application was proper, and material to the  
10 patentability of the claims of the '591 patent. With this high degree of materiality, intent can be  
11 inferred, and the '591 patent is unenforceable.

12 **(d) Failure to Disclose the One-Page Flyer Publicly Distributed at ScanTech**

13 38. During prosecution of the application leading to the '591 patent, after Mr. Hetz  
14 submitted IDS on September 19, 2005 containing the mischaracterization of the two-page brochure,  
15 as discussed in paragraphs 31-37 above, Mr. Robb was re-deposed in the *DataQuill v. Kyocera* case  
16 on October 26, 2005. In that deposition, Mr. Robb testified that he publicly distributed at least  
17 twenty copies of the one-page flyer to interested attendees at ScanTech in June of 1992. However,  
18 Mr. Robb failed to disclose the one-page flyer to the USPTO during the prosecution of the  
19 application leading to the '304 patent, upon information and belief. Examples of the materiality of  
20 the one-page flyer include that: the one-page flyer, in combination with the Glasgow Herald article  
21 discussed above, renders obvious at least claim 29 and/or 31 of the '304 patent; and, the one-page  
22 flyer alone anticipates at least claim 31 of the '304 patent. With this high degree of materiality,  
23 intent can be inferred, and '304 patent is unenforceable.

24 **(e) Failure to Disclose Actions, Including Priority Date Challenges,**  
25 **in European Counterpart Applications**

26 39. Upon information and belief, the '591 patent is unenforceable because, during  
27 prosecution of the application for the '591 patent, DataQuill committed inequitable conduct by  
28

1 failing to disclose to the USPTO materials relating to proceedings concerning European counterpart  
2 applications to the '304 and '591 patents-in-suit.

3 40. DataQuill filed two European counterpart applications to the patents-in-suit, both of  
4 which also included a priority claim to the Robb GB application: EP Application 94927728.9 (the  
5 "EP parent application," revoked by the European Patent Office ("EPO") on February 21, 2005) and  
6 EP98200196.8 ("the EP divisional application"). Third parties filed "Oppositions" against the  
7 issuance of the claims in each EP application. (An EPO Opposition is a proceeding in which third  
8 parties can oppose the issuance of a patent, somewhat akin to a reexamination request in the U.S.  
9 filed after the patent issues.) The EPO considered and responded to those Oppositions.

10 41. Three third parties lodged separate Oppositions to the EP divisional application –  
11 Philips (May 19, 2004), Nokia (June 24, 2004), and Alcatel (June 23, 2004). Each Opposition relied  
12 upon various prior art references and also challenged the EP divisional application's priority date  
13 claim to the October 13, 1993 filing date of the Robb GB application (discussed above). Each  
14 Opposition argued that the priority date of the EP divisional application should be limited to  
15 September 27, 1994 and that the priority date claim to October 13, 1993 was improper. The EPO  
16 subsequently sustained this priority challenge. Nevertheless, throughout the prosecution of the U.S.  
17 patent application leading to the '591 patent, DataQuill maintained that it was entitled to claim  
18 priority to the Robb GB application. In contravention of MPEP 2001.06 and MPEP 2001.06(a),  
19 throughout prosecution of the application leading to the '591 patent (issued November 21, 2006),  
20 DataQuill, the listed inventors, and their patent prosecution counsel, upon information and belief,  
21 failed to inform the USPTO of the challenges to the priority date in the Oppositions and the bases  
22 therefore.

23 42. Upon information and belief, at least named inventors Doran and Callaghan and  
24 DataQuill's patent prosecution counsel Mark Milhench were aware of the Oppositions and the  
25 priority date challenges. For example, each opposition was prosecuted on behalf of DataQuill, and  
26 primarily by Mr. Milhench. In the prosecution of the EP parent application, while responding to the  
27 Oppositions, DataQuill's foreign associate requested an extension of time to reply to Oppositions  
28 because of Mr. Milhench's transfer from a former firm to Mintz Levin Cohn Ferris Glovsky and

1 Popeo Intellectual Property, LLP ("Mintz Levin"), and to consult with named inventors Frank  
2 Callaghan and Paul Doran. Specifically, in a letter to the EPO dated 8 September 2004, Mintz Levin  
3 stated:

4           The respondent's principal contact, Mr. Frank Callaghan, was advised  
5           at the beginning of August by Mr. Milhench that he would be leaving  
6           Jenkins. ... Mr. Callaghan subsequently concurred with his business  
7           partner, Mr. Paul Doran, on Mr. Doran's return from holiday and with  
8           his legal advisors in the USA who are currently litigating the  
9           corresponding US patent, and decided to transfer responsibility for the  
10          respondent's patent portfolio from Jenkins to ourselves [Mintz Levin]  
11          because Mr. Milhench has been involved with the DataQuill patent  
12          portfolio since 1997. ... A further point to note is that as the  
13          respondent is currently litigating his corresponding US patent any  
14          reply prepared by ourselves should be reviewed by the respondent's  
15          US advisors prior to filing, and in the time available this is clearly  
16          impossible.

17  
18 Upon information and belief, Mr. Callaghan and Mr. Doran were similarly consulted in the  
19 prosecution of the EP divisional application.

20           43.     Upon information and belief, at least Mr. Doran, Mr. Callaghan, and Mr. Milhench  
21           and associates at Mintz Levin knew of the proceedings in the counterpart EP applications and knew  
22           that information concerning those proceedings was material to the prosecution of the pending  
23           application leading to the '591 patent.

24           44.     Further, upon information and belief, DataQuill's U.S. patent attorney knew of the  
25           existence of the Oppositions filed in the EP counterpart application and was also aware of the duty to  
26           disclose material information from foreign counterpart applications.

27           45.     For example, in an Information Disclosure Statement ("IDS") filed on October 1,  
28           2004 in the prosecution of the U.S. patent application leading to the '591 patent, attorney Joseph  
29           Hetz of the Brinks Hoffer Gilson and Lione law firm submitted, to the USPTO, an Office Action  
30           (and an English translation thereof) issued by the Japanese Patent Office in a Japanese counterpart  
31           application to the '304 patent. Mr. Hetz also submitted, to the USPTO, copies of prior art references  
32           cited in a Japanese Office Action and stated "Applicants also note that [prior art reference]  
33           documents A134-A138 were cited in an Official Action in a Japanese patent application  
34           corresponding to parent U.S. Patent No. 6,058,304. A copy of an English translation of that Official



1 Action is enclosed as document A251.” Oct. 1, 2004 IDS at 2. By doing so, DataQuill’s counsel  
2 demonstrated that it understood the materiality of foreign counterpart patent applications, office  
3 actions, and prior art cited therein and demonstrated that it understood its duty to disclose that  
4 material information to the USPTO.

5 46. However, when submitting information relating to the European counterpart  
6 applications to the USPTO, DataQuill’s counsel Hetz submitted only the docket sheets from those  
7 EP applications and not material underlying documents from those EP applications, such as  
8 documents reflecting the challenges to the priority date in the EP Oppositions mentioned above. In  
9 connection with filing a September 19, 2005 IDS in the application leading to the ‘591 patent,  
10 DataQuill’s counsel Hetz submitted the docket sheets and stated:

11           Regarding documents C1-C235, multiple of these documents were  
12           either identified by Kyocera or DataQuill, and/or ... identified as  
13           additional information in EPO proceedings concerning counterpart  
14           patent applications. ... Documents C181 and C182 are online docket  
15           sheets of the EPO proceedings.

16 Sept. 19, 2005 IDS at 2. However, upon information and belief, attorney Hetz remained completely  
17 silent that any Opposition proceedings had taken place and that the priority claim was being  
18 questioned.

19 47. It would have been important to a reasonable USPTO examiner examining the  
20 application leading to the ‘591 patent that the priority date of the EP counterpart application was  
21 being challenged, because that priority date challenge would impact the priority date for the U.S.  
22 application leading to the ‘591 patent, which also purports to claim priority therefrom. A U.S. patent  
23 application’s claim for priority is highly material to the patentability of what the application claims  
24 to be the invention because a priority date defines the temporal scope of the prior art and,  
25 accordingly, may determine validity, whether an issue arises in prosecution or later in court  
26 challenges to validity. The challenge to the priority date in the EP divisional application refutes or,  
27 at the least, is inconsistent with the position that DataQuill takes in asserting that the U.S. application  
28 leading to the ‘591 patent was proper. It would have been important to a reasonable examiner to  
consider the arguments concerning the priority date in the EP Oppositions.

1           48.     Thus, upon information and belief, Mr. Callaghan, Mr. Doran, and Mr. Hetz withheld  
 2 from the USPTO material information concerning the Oppositions in the European divisional  
 3 application, including information concerning the priority date challenges. Based on this showing of  
 4 materiality, intent can be inferred, and the '591 patent is unenforceable.

5           **(f) Failure to Disclose Garry Robb's '790 Patent Application and Art Cited Therein**

6           49.     On July 16, 1998, Garry Robb filed U.S. Patent Application S/N 09/101,790 ("the  
 7 Robb '790 application") in his own name. The Robb '790 application included disclosure and  
 8 claims that were closely related to the disclosures of the '304 and '591 patents-in-suit. More  
 9 specifically, the specification of each of the Robb '790 application and '304 and '591 patents  
 10 discloses a device having a display, a reading sensor, and a telecommunications interface, for  
 11 example. As an example of claim similarity, during the prosecution of the Robb '790 application,  
 12 Mr. Robb added claim 30 in a preliminary amendment filed on July 16, 1998. Claim 30 was  
 13 directed to:

14                   [a] personal communication device, comprising: a display for  
 15                   displaying data and video signals; a loudspeaker for generating an  
 16                   audible signal; a microphone for receiving an audio signal; a keypad  
 17                   for entering data, a telecommunications interface for receiving and  
                   transmitting information; and an integral adjustable reading head for  
                   producing an image signal.

18           Claims of the '304 patent, including claims that DataQuill alleges HTC's products to infringe,  
 19 include substantially similar limitations. For example, claim 1 of the '304 patent calls for "[a] data  
 20 entry device" comprising "a display," the data entry device being integral with a cellular telephone  
 21 (microphone and loudspeaker), a "reading sensor," "communications interface," and a "reading  
 22 sensor," *inter alia*. Accordingly, since at least as of July 16, 1998, the claims of the Robb '790  
 23 application could have conceivably served as the basis of a double patenting rejection in the  
 24 prosecution of the patents-in-suit; therefore, the existence of the Robb '790 application was highly  
 25 material to patentability of the '304 patent.

26           50.     Further, during the prosecution of the Robb '790 application, in an Office Action  
 27 dated October 27, 1999, examiner Ramakrishnaiah rejected claim 30 and others as obvious over  
 28 GB2289555A in view of U.S. Patent No. 5,436,654 (dated Feb. 7, 1994), *inter alia*. On April 26,



1 2000, applicants to the Robb '790 application limited claim 30 by narrowing the scope in an attempt  
2 to avoid the prior art references. The fact that examiner Ramakrishnaiah rejected claim 30 and  
3 others on the basis of prior art was material to the prosecution of the '304 patent for at least two  
4 reasons.

5 51. First, as demonstrated by claim 30, for example, at least some claims of the Robb  
6 '790 application were substantially similar to claims of the '304 patent. By prosecuting the claims  
7 of the '304 patent, DataQuill was necessarily asserting to the USPTO that those claims were  
8 patentable. However, the USPTO's rejection of a substantially similar claim, such as claim 30 of the  
9 '790 Robb application, refutes and is inconsistent with this position. Such a contrary decision by  
10 another USPTO examiner reviewing a substantially similar claim was highly material to the  
11 prosecution of the '304 patent.

12 52. Second, the prior art rejection of claim 30 and others would have been important to  
13 the Examiner of the application leading to the '304 patent, because Mr. Robb's response of  
14 narrowing the scope of the claims in place of asserting any claim to priority such as to the Robb GB  
15 application at least call into question the viability of the priority claim for the patents-in-suit.

16 53. Other prior art considered by the USPTO during prosecution of the Robb '790  
17 application also was material to the examination of the pending claims of the claims of the  
18 applications leading to the patents-in-suit. For example, one prior art reference cited during the  
19 prosecution of the Robb '790 application was U.S. Patent No. 5,491,507 to Umezawa ("Umezawa").  
20 Umezawa disclosed a portable handheld computer that could include an integrated camera. Upon  
21 information and belief, this reference would have been important to a reasonable examiner  
22 examining the application leading to the '304 patent for at least the reason that the '304 patent  
23 contains claims directed to a hand holdable unit that includes an integrated camera, such as claims  
24 13, 45, and 46. Further, the USPTO has already determined that "a reasonable examiner would  
25 consider the above prior references [including the Umezawa patent] important, alone or in  
26 combination as stated in the Request, in making a decision as to the patentability of claims 1-62 of  
27 the '591 patent" in an Order dated May 4, 2007, in application control number 90/008,394  
28

1 (reexamination of the '591 patent), at pp. 2-3. The claims of the '591 patent are patentably indistinct  
2 from those of the '304 patent.

3 54. Upon information and belief, at least Mr. Robb withheld the existence of the Robb  
4 '790 application from the USPTO examiner who evaluated the applications leading to the patents-in-  
5 suit. The existence of the Robb '790 application, examiner Ramakrishnaiah's rejections of the  
6 claims, and prior art cited during prosecution of the '790 application each would have been  
7 important to a reasonable examiner examining the applications leading to the '304 patent.

8 55. At least Mr. Robb (and possibly others involved in prosecuting the application  
9 leading to the '304 patent) failed to satisfy his duty of disclosure to the USPTO by intentionally  
10 withholding the material information described above, upon information and belief. USPTO rules  
11 provide that "[i]ndividuals ... cannot assume that the examiner of a particular application is  
12 necessarily aware of other applications which are 'material to patentability' of the application in  
13 question, but must instead bring such other applications to the attention of the examiner." Manual of  
14 Patent Examination Procedure ("MPEP") 2001.06(b). The showing of materiality of the withheld  
15 information creates an inference that the failure to disclose the Robb '790 application and the prior  
16 art cited therein was intentional. This intentional failure to disclose highly material information to  
17 the USPTO during prosecution of the application leading to the '304 patent constituted inequitable  
18 conduct, rendering the '304 patent unenforceable.

19 **(g) Failure to Disclose Proper Inventorship**

20 56. Upon information and belief, personnel at the University of Edinburgh, Jimmy  
21 Johnstone and Rainer Thonnes, contributed to the conception of the subject matter of the alleged  
22 invention of each of the patents-in-suit by their collaboration with Mr. Robb on a device for barcode  
23 scanning. For example, software and/or firmware would have been necessary to practice even a  
24 single embodiment of the alleged inventions of the '304 and '591 patents. It was at least Mr.  
25 Thonnes who worked for almost five years in an effort to create such software and/or firmware for  
26 DataQuill's pen-shaped prototype device, upon information and belief. Upon information and  
27 belief, Mr. Thonnes contributed to the conception of the subject matter related to the  
28 software/firmware in the pen in an effort to cause the controller to be responsive to a command to

1 cause downloading of information from a remote processing center for updating information  
2 previously stored in the data entry device, as is claimed in '304 patent 1 and 2 (and claims dependent  
3 therefrom) and '591 patent claims 61 and 62. Upon information and belief, Mr. Johnstone  
4 contributed to the conception of the subject matter related to the "telecommunications interface"  
5 claimed in at least claims 1 and 2 of the '304 patent (and claims dependent therefrom) and claim 1 of  
6 the '591 patent. Upon information and belief, others in the United Kingdom, including Alec Tait,  
7 Jan Orkisz, and Anthony Hopkin, contributed to the conception of the subject matter of at least one  
8 claim of each of the patents-in-suit, including the software for the telecommunications interface of at  
9 least claims 1 and 2 of the '304 patent (and claims dependent therefrom) and claim 1 of the '591  
10 patent.

11 57. The proper identity of inventors is material to patentability, since a patent cannot  
12 issue if the named inventors did not invent the subject matter sought to be patented under 35 U.S.C.  
13 § 102(f). It would have been important to a reasonable examiner to be informed that the inventive  
14 entity named on the application leading to each of the '304 and '591 patents-in-suit was incorrect.  
15 The high degree of materiality of the identification of proper inventorship creates an inference that  
16 the misrepresentation of inventorship to the USPTO was intentional. Moreover, upon information  
17 and belief, at least named inventor Robb was aware of the inventive contributions of Mr. Johnstone,  
18 Prof. Thonnes, Mr. Tait, Mr. Orkisz and/or Mr. Hopkin because of his collaboration with those  
19 individuals, and Mr. Robb intentionally withheld disclosure of the contributions of any and all of  
20 those omitted inventors to the USPTO during prosecution of the applications for both the '304 and  
21 '591 patents. Therefore Mr. Robb committed inequitable conduct, and, as a result, each of the  
22 patents-in-suit is therefore unenforceable.

23 **(h) Failure to Disclose Invalidity/Anticipation Charts from Kyocera Case**

24 58. In the prior *DataQuill v. Kyocera* case mentioned above, upon information and belief,  
25 DataQuill obtained received a supplemental expert report submitted by Kyocera's technical expert  
26 Royce Fletcher, which contained Mr. Fletcher's expert opinion that the claims the '304 patent were  
27 invalid on the basis of certain prior art references. This supplemental expert report was dated  
28 August 5, 2005 ("August 5, 2005 Invalidity Report"). On information and belief, the August 5, 2005

1 Invalidity Report consisted of the following: a 4-page report (numbered SUP\_1-4); an Anticipation  
2 Exhibit (pages ANT\_SUP1-67) (the "Anticipation Exhibit"); a 38-page Obviousness Exhibit (page  
3 numbers OBV\_SUPP 1-38); a 3-page exhibit on one of skill in the art (numbered IMP\_SUP 1-3); a  
4 supplementation of documents reviewed (numbered DOC\_SUP 1-2); and two attachments  
5 (Attachment I and Attachment II).

6 59. The Anticipation Exhibit included numerous pages of detailed claim charts explaining  
7 how references, including the following, anticipated the claims of DataQuill's '304 patent: U.S.  
8 Patent No. 5,465,401 to Thompson; a prior art device referred to as the EO Personal Communicator  
9 as described in the book *AT&T EO Personal Communicator: The Digital Nomad's Guide*, (1993);  
10 and the publication of the Winfair materials (described above), upon information and belief. The  
11 Anticipation Exhibit is expressly referenced in the Invalidity Report, at page SUP\_2 for example.

12 60. DataQuill's attorney Joseph Hetz submitted an Information Disclosure Statement  
13 ("IDS") dated September 19, 2005, to the USPTO during the prosecution of the application leading  
14 to the '591 patent. In that IDS, Mr. Hetz submitted several pleadings and documents from various  
15 technical experts, including a document from DataQuill's technical expert, Edward Koch, presenting  
16 *inter alia* DataQuill's position that claims of the '304 patent were valid. Among those documents  
17 that Mr. Hetz submitted was "Edward Koch's Rebuttal to Certain New Contentions Raised by  
18 Kyocera, dated 06/23/05, numbered PX12-1-8," as IDS entry number C45 (referred to hereinafter as  
19 the "Koch Rebuttal"). In the Koch Rebuttal, DataQuill's expert Mr. Koch opined that claims of the  
20 '304 patent were not invalidated by the Thompson '401 patent, by the AT&T EO personal  
21 communicator, or the Winfair documents.

22 61. Also buried within the numerous pages of references on the IDS was the listing C168:  
23 "*Excerpts* of Supplemental Expert Report of Royce W. Fletcher relating to validity, Kyocera  
24 Wireless, dated 08/05/05, SUP-1 to -4; OBV\_SUP-1 to -38; IMP\_SUP-1 to -3; DOC\_SUP-1 to -2;  
25 Attachment I; Attachment II." (emphasis added). Upon information and belief, DataQuill  
26 intentionally excerpted and omitted the Anticipation Supplement from submission to the USPTO,  
27 despite DataQuill's submission of other selected materials from Mr. Fletcher.

62. Given that DataQuill submitted what appear to be the complete opinions of its own expert Mr. Koch regarding the validity of claims of the '304 patent, the complete opinions of Kyocera's opposing expert Mr. Fletcher on the same issue would have been material to the examination of the pending claims of the related application leading to the '591 patent. Therefore, DataQuill's intentional failure to disclose the Anticipation Exhibit (indeed its excerption of the Anticipation Exhibit from the Invalidity Report), at least through attorney Hetz, during prosecution of the application leading to the '591 patent constituted inequitable conduct, rendering the '591 patent unenforceable.

**(i) Infectious Unenforceability**

63. Under the doctrine of infectious unenforceability, the existence of inequitable conduct during prosecution of a patent can lead to the unenforceability of a related patent if the inequitable conduct has an immediate and necessary relation to the equity that DataQuill seeks in respect of the matter in litigation. The application leading to the '591 patent is a continuation of U.S. patent application 09/548,565, which is a continuation of the application leading to the '304 patent. The disclosure and claims of the '591 patent are substantially the same as that of the '304 patent. Thus, inequitable conduct occurring during the prosecution history of the '304 patent necessarily relates to the claims of the '591 patent. As such, while HTC has set forth independent bases for the unenforceability of the '591 patent, to the extent that the '304 patent is unenforceable due to inequitable conduct, the '591 patent is also unenforceable based on the doctrine of infectious unenforceability. Therefore, each basis for inequitable conduct set forth above with respect to the '304 patent further relates to and taints all issued claims of the '591 patent and thus further renders the '591 patent unenforceable.

64. In light of the foregoing, accordingly, HTC seeks a declaratory judgment pursuant to 28 U.S.C. §§ 2201-2202 that the '304 patent and the '591 patents are unenforceable.

## COUNT VI

**(Request for Attorneys Fees and Costs)**

65. HTC re-alleges and incorporates by reference each preceding allegation as though expressly stated herein.

1           66.     HTC is entitled to a declaration that this is an "exceptional" case within the meaning  
2 of 35 U.S.C. § 285, entitling HTC to an award of its reasonable and necessary attorneys' fees,  
3 expenses, and costs incurred in this action.

4                                   **JURY DEMAND**

5           67.     Under Rule 38(b) of the Federal Rules of Civil Procedure, HTC respectfully requests  
6 a jury trial on all issues and claims.

7                                   **PRAYER FOR RELIEF**

8           WHEREFORE, HTC prays for judgment against DataQuill, and that the Court award the  
9 following relief:

10           A.     Declare that HTC has not infringed, has not contributed to infringement of, and has  
11 not induced infringement of any claims of the patents-in-suit, either literally or under the doctrine of  
12 equivalents;

13           B.     Declare that the claims of the patents-in-suit are invalid;

14           C.     Declare that the patents-in-suit are unenforceable;

15           D.     Declare this case exceptional under 35 U.S.C. § 285 and award HTC its reasonable  
16 attorneys' fees, expenses and costs incurred in this action; and

17           E.     Award HTC such other and further relief as this Court deems just and proper.

18  
19 Dated:     December 8, 2008

Respectfully submitted,

20                                   **WILSON PETTY KOSMO & TURNER LLP**

21  
22                                   By:     /s/ Frederick W. Kosmo, Jr.  
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7

8 **UNITED STATES DISTRICT COURT**  
9 **SOUTHERN DISTRICT OF CALIFORNIA**  
10

11 DATAQUILL LIMITED,

12 Plaintiff,

13 v.

14 HIGH TECH COMPUTER CORP.,

15 Defendant.

16 HTC CORPORATION,

17 Counterclaimant,

18 v.  
19

20 DATAQUILL LIMITED,

21 Counterdefendant.

Case No. 08-cv-00543 IEG (LSP)

**CERTIFICATE OF SERVICE BY  
ELECTRONIC SUBMISSION**

Complaint Filed: March 25, 2008

Judge: Hon. Irma E. Gonzalez

Magistrate  
Judge: Hon. Leo S. Papas

Trial Date: Not Set

22  
23 I am familiar with the United States District Court, Southern District of California's practice  
24 for collecting and processing electronic filings. Under that practice, the following documents were  
25 electronically filed with the court on December 8, 2008:

- 26 1. **HTC CORPORATION'S ANSWER, AFFIRMATIVE DEFENSES, AND**  
27 **COUNTERCLAIMS**  
28

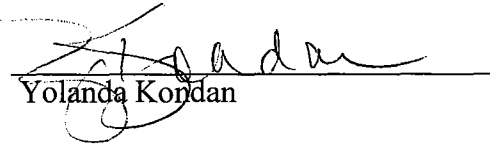
1 The court's CM/ECF system will generate a Notice of Electronic Filing (NEF) to the filing  
2 party, the assigned judge, and any registered users in the case. The NEF will constitute service of  
3 the document(s). Registration as a CM/ECF user constitutes consent to electronic service through  
4 the court's transmission facilities. Under said practice, the following CM/ECF users were served:

5 Gregory S. Markow  
6 Hecht Solberg Robinson and Goldberg  
7 600 West Broadway, 8th Floor  
8 San Diego , CA 92101  
9 Tel: (619)239-3444  
10 Fax: (619)232-6828  
11 Email: gmarkow@hsr gb.com  
12 *Counsel for Plaintiff/Counterdefendant DATAQUILL LIMITED*

13 I declare that I am employed by the office of a member of the bar of this court at whose  
14 direction the service was made.

15 Executed December 8, 2008, at San Diego, California.

16 By:

17   
18 Yolanda Kordan  
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23  
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